## OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

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## U.S. and Japan Launch New Forum to Address Bilateral Automotive Issues

WASHINGTON – Commerce Secretary Don Evans and U.S. Trade Representative Robert B. Zoellick announced today the creation of a new consultative group designed to improve American access to the domestic Japanese automotive market and Japanese auto plants in the United States. The new group will be comprised of key government officials from both nations. The announcement of the U.S.-Japan Automotive Consultative Group follows a series of meetings between U.S. and Japanese officials, the most recent of which was held October 15 and 16 in Washington.

"The health and well-being of the U.S. automotive industry is a vital component of our nation's economic stability," Evans said. "The Automotive Consultative Group represents a major step forward in our goal of resolving trade, regulatory and competition policy issues in this industry. I welcome the willingness of the Japanese Government to continue to address issues of concern to the United States in the automotive sector."

"The long history of barriers that U.S. firms have encountered in their attempts to penetrate the Japanese automotive market coupled with recent changes in the global automotive industry make it all the more important that Japan take concrete steps to further open its market. Through the Automotive Consultative Group, the United States and Japan will jointly address any issues that arise," said Ambassador Zoellick.

The effects of closer integration and technological advancements in the global automotive industry over the past several years on market access and competition in this sector remain unclear. The Automotive Consultative Group will assess trends in the industry based on a series of trade and economic data on autos and automotive parts to be provided by the United States and Japan. In addition, the group will address market access issues as well as needed regulatory reform in Japan. The Automotive Consultative Group will be co-chaired by the Department of Commerce and the Office of the U.S. Trade Representative on the U.S. side, and the Ministry of Economy, Trade and Industry and the Ministry of Land, Infrastructure and Transport on the Japanese side. The U.S. Government will continue to consult closely with the U.S. auto and auto parts industry in developing the agenda for the

first meeting, to be held in early 2002.

The United States is continuing to address cross-cutting issues impacting the automotive sector under the U.S.-Japan Economic Partnership for Growth, announced by President Bush and Prime Minister Koizumi on June 30, 2001. This includes expanding opportunities for foreign investment, increasing transparency, and promoting corporate restructuring in the Japanese economy.